

ALFANIA

On 21-23 October a meeting of CIA and MI-6 representatives was held in London to discuss outstanding problems related to our joint Albanian operations. Messrs. [redacted] DC/SI [redacted] C/SI-1 [redacted] Chief.

[redacted] External Operations, [redacted] Project [redacted] and [redacted] Liaison Officer, [redacted] represented CIA. Agent operations conducted during the 1953 operational season were reviewed and plans outlined for the 1954 season. The British concurred in the desirability of a more representative Albanian committee; they agreed that a new attempt to broaden the Committee should be made and that, while we should try to persuade all elements to cooperate, there would be no yielding to any threats by recalcitrant members of the Committee to withdraw should the broadening be forced upon them. The frequency of leaflet raids was discussed and it was agreed that regular leaflet drops should continue at a six-eight week interval, with drops alternating between the British and ourselves. In addition, the new newspaper digest will be dropped by CIA on a fortnightly basis. Views on Yugoslav intentions and the possibility of collaboration with the Yugoslav-sponsored League of Albanian Refugees were exchanged; it was decided that present Yugoslav-Italian relations make undesirable the encouragement of any contact between the NCRA and the League of Albanian Refugees at this time.

Despite reported assurances by the Egyptian Foreign Minister to ex-King Zog that the latter would be granted exit visas and permission to export his valuables from Egypt, and despite the informal intercession of the American Ambassador, the Egyptian authorities have thus far failed, either officially or unofficially, to reply to Zog's request that the exact charges against him be defined. However, the Director of the Income Tax Section of the Finance Ministry stated in a press conference on 9 October that his Ministry had requested the Minister of Interior to prevent the departure of Zog until he submitted a property declaration so that the Income Tax Section could assess the taxes due; failure to submit the declaration by 16 August made Zog liable to (a) up to three years in prison, (b) a fine up to LE 1,000, (c) payment of triple the amount of taxes due. The American Ambassador was informed by the Foreign Minister that, although he is trying to help Zog, the Finance Minister, the Minister of Interior and the Vice Premier insist that Zog pay back taxes. The Vice Premier, Gamal abd al Nasser, in conversation with an officer of the American Embassy, stated that although the Egyptians had attempted to collect taxes from Zog, he denied any tax liability. Nasser suggested that the U.S. Government purchase Zog's gold for dollars, sell the gold to the Egyptian banks for Egyptian pounds, and use the money to pay current U.S. Government expenses in Egypt. The Italian Counsellor of Embassy in Cairo indicated to the American Counsellor of Embassy that he thought his government might be justified in interceding with the Egyptians on Zog's behalf, and that his Embassy may request permission from Rome to take up the matter with the Egyptian Foreign Minister. In the meantime, Zog is reported to have received word through a police liaison officer that another raid, including body searches, could be expected and has posted his entire entourage on duty during waking hours. The American Ambassador has indicated that he feels he has gone about as far as he can on Zog's behalf. [] has been instructed to arrange a personal meeting with Zog to discuss his situation in an attempt to find a compromise acceptable both to Zog and to the Egyptians.

The semi-official Yugoslav news service, Tugapress, reported on 14 October that the Yugoslav Foreign Ministry was studying a recent note from Tirane requesting that the negotiations for the establishment of a

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mixed border commission be reopened. Negotiations, which began on 17 August, were broken off by the Yugoslavs on 27 September because Albania allegedly refused to consider Yugoslav compromise proposals for the prompt settlement of border incidents.

2. SYNOPSIS

The Albanian Project OSOPUS is directed by the Project [] handles the interrogation and screening of Albanian refugees.

3. OPERATIONAL SUMMARY - (OSOPUS)

A. Paramilitary

(1) The five-man Fig Team, which was infiltrated into Albania on the night of 7/8 September, exfiltrated to Greece following two skirmishes with security forces. Although one man was wounded and two became separated from the rest of the team during the fighting, by 21 October all members had succeeded in reaching Greece.

(2) On the night of 23/24 October, a covert C-47 from Athens made an emergency landing in Brindisi, Italy. The aircraft was on a resupply mission to the Apple/2 base team which was to include a token supply drop to Hil Shilaku, the alleged leader of a Yugoslav-backed Albanian resistance net who has reportedly been attempting to make contact with the U.S. The Italian Service advised that the right engine had been damaged by 20 mm fire. Within six hours a member of the Athens air support staff arrived in Italy to arrange for the security of the crew and repairs to the plane. The covert air crew, which returned to Athens on 28 October, reported encountering intense flak over the D.I. (presumably that of Hil Shilaku). Full details of their debriefing are being forwarded to headquarters. The damaged aircraft is being serviced by the Italian Air Force.

(3) The two self-described refugees, Frank Gruda and Zef Shilaku, who fled from Yugoslavia to the British Zone of Austria, and who are reportedly in possession of additional information on the activities of Hil Shilaku, crossed the border into the American Zone of Austria on 27 October. They will be thoroughly interrogated by an OSOPUS officer from Athens.

B. Political-Psychological - (OSOPUS)

(1) Mr. Edward F. Pierce, the covert consultant through whom liaison with the NSCA headquarters in New York was maintained, died on 18 October. Until a replacement can be found liaison will be maintained by G/38-1, using an alias.

(2) On the night of 3/4 October the British carried out a successful leaflet raid over Albania. 450,000 leaflets were dropped.

(3) The clandestine radio transmitter located near Athens maintained a regular broadcast schedule during October. A W/T contact from the Apple/2 Team reported that they were able to hear the transmitter. A contact of Fig Team in Albania reported that when he was recently imprisoned in the Korca "Enemy of the People's Prison", the commanding officer occasionally permitted the inmates to listen to the Voice of Free Albania.

(4) The NSCA fortnightly newspaper, Shqipëria, was printed in Rome on schedule. The digest version was printed in Germany for use in air drops.

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Chief, SE-1